APPENDIX A — RULES INVOLVED

Federal Circuit Rules

Rule 36. Entry of Judgment – Judgment of Affirmance Without Opinion

The court may enter a judgment of affirmance without opinion, citing this rule, when it determines that any of the following conditions exist and an opinion would have no precedential value:

a. the judgment, decision, or order of the trial court appealed from is based on findings that are not clearly erroneous;

b. the evidence supporting the jury's verdict is sufficient;

c. the record supports summary judgment, directed verdict, or judgment on the pleadings;

d. the decision of an administrative agency warrants affirmance under the standard of review in the statute authorizing the petition for review; or

e. a judgment or decision has been entered without an error of law.

Appendix A

Rule 47.6. Opinion and Order of the Court

(a) **Disposition of Appeal, Motion, or Petition; Precedential Effect.** Disposition of an appeal may be announced in an opinion; disposition of a motion or petition may be announced in an order. An appeal may also be disposed of in a judgment of affirmance without opinion pursuant to Federal Circuit Rule 36. A disposition may be cited as precedent of the court unless it is issued bearing a legend specifically stating that the disposition may not be cited as precedent.

(b) **Nonprecedential Opinion or Order.** An opinion or order which is designated as not to be cited as precedent is one unanimously determined by the panel issuing it as not adding significantly to the body of law. Any opinion or order so designated must not be employed or cited as precedent. This rule does not preclude assertion of claim preclusion, issue preclusion, judicial estoppel, law of the case, or the like based on a decision of the court designated as nonprecedential.

(c) **Request to Make an Opinion or Order Precedential; Time for Filing.** Within 60 days after any nonprecedential opinion or order is issued, any person may request, with accompanying reasons, that the opinion

or order be reissued as precedential. An original and 6 copies of the request must be filed with the court. The request will be considered by the panel that rendered the disposition. The requestor must notify the court and the parties of any case that person knows to be pending that would be determined or affected by reissuance as precedential. Parties to pending cases who have a stake in the outcome of a decision to make precedential must be given an opportunity to respond. If the request is granted, the opinion or order may be revised as appropriate.

(d) **Public records.** All dispositions by the court in any form will be in writing and are public records.

APPENDIX B — EXCERPTS FROM TRANSCRIPT OF FEDERAL CIRCUIT AUDIOTAPE OF JANUARY 8, 2003 ORAL ARGUMENT

IN THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

Appeal No 02-1369

GEORGE S. ALLEN

Plaintiff-Appellant

v.

HOWMEDICA LEIBINGER, INC., HOWMEDICA, INC., and PFIZER, INC.,

Defendants-Appellees.

Excerpts from Oral Argument
dated January 8, 2003

BEFORE: JUDGE PAULINE NEWMAN
JUDGE PAUL R. MICHEL
JUDGE ALAN D. LOURIE

* * *

JUDGE NEWMAN: So how can Dr. Allen have been injured when everybody knew soon enough, early in these proceedings, that these were these taints on the entire patent structure in this field? Not taints, problems.

MR. WELLS: How could Dr. Allen have preceded him commercially?

JUDGE NEWMAN: Injury, we're talking about damages, right? That's what the whole —

MR. WELLS: Yes.

JUDGE NEWMAN: — issue is. And under state tort law and the Lanham Act, you're seeking damages, right?

MR. WELLS: That's correct. And our damages are based in part on the fact that Picker, a licensee, would not sell the product which would have resulted in license fees to Dr. Allen until this patent issue was resolved in their favor. So he's damaged by the fact that no sale would ever be made until this, this conduct stopped.

JUDGE MICHEL: But wasn't the question about the patent cleared up by research, rather than by relying on what Murdoch said in one short telephone call?

MR. WELLS: Unless the owners of the patent who know that the patent is invalid disclaim it, or unless a court finds a patent invalid, anyone who manufactures, uses or sells product is still at risk. This is not —

JUDGE MICHEL: I'm having trouble following that. If I'm McNally, and let's assume I'm told by Murdoch: "We've got a patent, it's rock solid, we've had it analyzed by six different people and they agree it has no validity problems," and on and on and on like that, I'm McNally, and

I say "Well, that's what he says, but I've got my own lawyer, I'm going to have my own lawyers check this out," and then his lawyers tell him whatever they tell him. In that circumstance, aren't I, Picker's people, McNally, relying on my own lawyer's conclusion, not on the oral representations in a brief phone call by Murdoch? Just as a matter of common sense, I mean —

MR. WELLS: I don't know what their lawyers told them. But there was a letter that Dr. Allen received from a Dr. Gylling in December of 1999 which specifically stated that Picker's position was they were reluctant, or indicated that they were reluctant to sell the product, because even though they believed it's invalid, they would be at risk of lawsuit.

JUDGE MICHEL: But is it not the case that Picker did its own research? Let me just put it that way. That after being told by Murdoch -- whatever Murdoch said, we weren't there, we don't know. Whatever Murdoch said, that after people did their own research and drew their own conclusions? Is that not a fact?

MR. WELLS: I — there is some evidence in the record that the Picker people did some of their own research, that's true. They still concluded that they were at risk.

JUDGE MICHEL: Yeah, but the conclusion in that event would be based on their own research, not on what Murdoch said. So what Murdoch said has no operative effect.

MR. WELLS: Well it does have an operative — we're talking about, under the Lanham Act, for example, not tortious interference for the time being. We're talking about deceit and deception and confusion in the marketplace.

Now had they told the truth and said "We have a patent position," what claims, for example, the most important claims from Picker, in effect they were claims 1 and 22 "are invalid and we're not going to enforce them," they would have sold the product. But they never did that. Quite to the contrary —

JUDGE MICHEL: Isn't Judge Newman right, that there has to be injury, not only misleading statements or false statements or something like that, but they have to have caused discernible harm?

MR. WELLS: Yes —

JUDGE MICHEL: And if, if the Picker people relied on their own analysis, not on what Murdoch said, then doesn't that compel the inference that there was no harm flowing from what Murdoch said?

MR. WELLS: No, no. Harm is what they intend to do with their patent and they're indicating that intent to their continuing conduct in the marketplace. They're still touting their patent in the marketplace, even in 1998. So the message they're getting in the context of an interference where they've admitted their patent is invalid, the message they're getting is you sell this product, we are going to go after you, you are at risk. That's the message they're getting. If they got a

different message, they would have sold the product. They never got the truthful message, that is, the two claims are invalid, you can go sell your product if you want.

It's exactly the kind of claim the Lanham Act contemplates. They've caused confusion and disruption in the marketplace by misstatements, false statements, misleading statements.

JUDGE NEWMAN: Okay, we do need — is there a last word that, that you have for us, other than to ask us to decide in your favor?

MR. WELLS: Our position is consistent with *Hunter Douglas* and the trilogy of cases that is the foundation of these —

JUDGE MICHEL: What's the relief?

MR. WELLS: The relief? Well, there's two or three.

JUDGE MICHEL: Well, I read your conclusion section, the relief you asked for. I can read. But I mean the essence of it, are you satisfied if we go back to the status quo ante and have a broader array of issues fought out on cross-motions for summary judgment?

MR. WELLS: Well, certainly I believes we should have the opportunity to introduce all our evidence on summary judgment. If the parties want to proceed, I have no idea how the parties proceed if the decision is vacated and remanded.

However, I suggest on one issue that we're entitled to go to trial nevertheless. The court below ruled or found that on the "no problem" statement there was a material issue of fact and that was ripe for valuation by a trier of fact, and that the defendants knew about it.

JUDGE MICHEL: I take it then your answer is no, it would not be satisfactory to vacate and remand?

MR. WELLS: Well —

JUDGE MICHEL: And still have summary judgment be the state of play? That apparently is not satisfactory to you.

MR. WELLS: Well, that's correct. We would like to go to trial on that issue.

JUDGE NEWMAN: Okay. Thank you, Mr. Wells and Mr. Hutz. Case is taken under submission.

(Conclusion of tape.)